GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:434
ANSWERED ON:16.12.2016
Cooperative Bank Loans
Ram Mohan Naidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) whether the quantum and percentage of loans disbursed by cooperative banks in the agriculture sector has increased over the last few years;

(b) if so, the details thereof including achievements against the targets, State-wise including Andhra Pradesh;

(c) whether the Government has identified constraints being faced by Cooperative banks in disbursing loans; and

(d) if so, the details thereof including action taken by the Government?

Answer

The Minister of Finance

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of LokSabha Starred Question No. *434 to be answered on 16th December, 2016 regarding Cooperative Bank Loans

(a) &(b): National Bank for Agriculture & Rural Development (NABARD) has reported that the percentage of loans disbursed by rural cooperative banks in the agriculture sector has increased from 16.43 per cent in 2013-14 to 17.47 per cent in 2015-16. The State-wise details of targets and achievements in respect of Rural Cooperative Banks are furnished in Annex.

(c) & (d): To enable Cooperative Banks to meet the crop loan and term loan requirements of farmers, Government has set up two funds in NABARD, to be met out of the shortfall in priority sector lending targets by commercial banks, as under:

i. Short Term Cooperative Rural Credit (Refinance) Fund: Through this fund NABARD provides concessional short term refinance to Cooperative Banks for their crop loan lending. An amount of Rs.45,000crore has been allocated for the said Fund during 2016-17.

ii. Long Term Rural Credit Fund (LTRCF): This fund has been set up for the purpose of providing long term refinance support to Cooperative Banks and Regional Rural Banks for their lending towards investment activities in agriculture. Government has allocated additional resources of Rs.15,000crore to this fund during 2016-17. Cooperative Banks/Regional Rural Banks are, therefore, able to draw refinance support from NABARD for financing medium and long term agricultural loans during 2016-17.

Further, recognizing the need to revamp the ailing Cooperative Banks so that they are able to cater to the needs of farmers at their doorstep, the Government in 2014 announced implementation of the Scheme for Revival of 23 Unlicensed District Central Cooperative Banks (DCCBs) in four States viz. 16 in Uttar Pradesh, 3 in Jammu & Kashmir, 3 in Maharashtra and 1 in West Bengal.